Easy loans to rural borrowers

1362. SHRI B.J. PANDA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that RBI has given instructions to the bankers to provide easy loans to borrowers engaged in rural economy;

(b) if so, the details thereof;

(c) whether any Committee has been constituted to oversee the functioning of the system to ensure its transparency; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The announcement made by Government on 18th June, 2004 not only envisages increase in Ground Level Credit flow to agriculture and allied activities by 30% during 2004-05 and doubling the flow in three years, but also provide for following relief measures:

1. Debt restructuring/rescheduleument and fresh loans for distressed farmers;

2. One Time Settlement (OTS) Scheme for Small and Marginal Farmers;

3. Fresh finance for farmers whose earlier debts have been settled through compromise or write-offs;

4. Relief measures for farmers indebted to non-institutional lenders.

Accordingly, Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) have issued guidelines to Commercial Banks and Regional Rural Banks and Cooperative Banks respectively for implementing the package.

(c) and (d) RBI has advised Commercial Banks to form Task Forces in their Head Offices to review the progress of monitoring disbursement of agriculture loans. A format for monitoring the progress of the above measures has also been sent by RBI.